United Nations A/C.5/62/SR.37

General Assembly
Sixty-second session

Official Records

Distr.: General
12 June 2008

Original: English

Fifth Committee

Summary record of the 37th meeting
Held at Headquarters, New York, on Monday, 5 May 2008, at 10 a.m.

Chairman: Mr. Ali ..... (Malaysia)
later: Mr. Micánek (Vice-Chairman) ..... (Czech Republic)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Ms. McLurg

Contents

Organization of work

Agenda item 149: Financing of the United Nations Observer Mission in Georgia

Agenda item 153: Financing of the United Nations peacekeeping forces in the Middle East

(b) United Nations Interim Force in Lebanon

Agenda item 140: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Comprehensive review of the Strategic Military Cell

Agenda item 141: Financing of the United Nations Operation in Burundi

Agenda item 154: Financing of the United Nations Mission in Sierra Leone

Agenda item 140: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

Updated financial position of closed peacekeeping missions as at 30 June 2007

Comprehensive report on the consolidation of peacekeeping accounts

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

08-32737 (E)

The meeting was called to order at 10.05 a.m.

Organization of work

1. **The Chairman** drew attention to the proposed programme of work for the first two weeks of the second part of the resumed sixty-second session of the General Assembly and to the note by the Secretariat on the status of preparedness of documentation (A/C.5/62/L.34).

2. **Mr. Hunte** (Antigua and Barbuda), speaking on behalf of the Group of 77 and China, commended the Chairman for his letter dated 22 April 2008 addressed to department heads concerning the late submission of documentation and proposed that it should be issued as a document of the General Assembly. In view of the Committee's heavy workload, it was regrettable that the late submission of reports had once again become cause for concern. The six-week rule for the availability of documentation, set out in various General Assembly resolutions, had not been complied with and, when introducing reports, Secretariat officials frequently failed to provide reasons for their delayed issuance.

3. While the Organization's total peacekeeping budget had increased significantly in recent years, the time allotted to Member States for consideration of the resource requirements and policy aspects of peacekeeping operations had gradually decreased. The present situation was unprecedented: one third of the reports to be considered at the second part of the resumed session would not be introduced until the final week and, thus far, the Advisory Committee on Administrative and Budgetary Questions had prepared reports on only five peacekeeping operations. The late submission of documentation undermined both the oversight role of the General Assembly and the ability of Member States to engage in detailed and informed consideration of the budgets of the various peacekeeping operations.

4. Urgent action was needed to remedy the situation. Member States should examine the difficulties affecting both the Secretariat and the Advisory Committee with a view to reaching a common understanding of how to address them. Furthermore, the Secretary-General and the Chairman of the Advisory Committee should provide formal responses to the concerns expressed by Member States, in accordance with paragraph 5 of General Assembly resolution 50/206 C.

5. The problem was compounded by the fact that the meeting time allocated to the Advisory Committee had remained unchanged for over a decade, even though it was now having to deal with almost double the number of reports. The Advisory Committee should thus be authorized to meet on a 12-month basis so that it could address all the issues before it in a comprehensive, efficient and timely manner. Similarly, the conditions of service of the members of the Advisory Committee should be reviewed in order to eliminate a number of serious difficulties facing the majority of them and to enable the Advisory Committee to submit the high-quality reports that were expected of it.

6. Given the tentative nature of the proposed programme of work, the Group of 77 and China was not in a position to approve it beyond the first week of the resumed session. The Group trusted that the Bureau would amend the programme of work, as necessary, to reflect changes in the status of preparedness of documentation and progress made in negotiations. In that connection, it was imperative to ensure that adequate time and conference services were available to the Committee. Although the budgets of peacekeeping operations were time-bound, sufficient time should also be allocated to ensure that other issues of paramount importance, such as the new system for the administration of justice and procurement, received thorough consideration. The successful conclusion of the negotiations on those two items, in particular, would send the right signals to the Secretariat.

7. Lastly, in order to prevent a recurrence of the present situation, the Advisory Committee and the Secretariat should provide formal clarification of the status of preparedness of the reports to be submitted at the main part of the sixty-third session of the General Assembly, as well as assurances that those reports, in particular those relating to the development pillar, would comply fully with the relevant provisions.

8. **Ms. Simkić** (Slovenia), speaking on behalf of the European Union; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania, Bosnia and Herzegovina, Montenegro and Serbia; and, in addition, Armenia, Liechtenstein and Ukraine, echoed the concerns expressed by the representative of Antigua and Barbuda regarding the

late issuance of a number of important reports of the Secretary-General and the Advisory Committee, some of which had significant budgetary implications. The Chairman's letter of 22 April 2008, for which he should be commended, had accurately described the Committee's concerns.

9. The financing of the United Nations peacekeeping operations was a priority for the European Union, which was deeply committed to the Organization's primary role as maintainer of international peace and security. The European Union had contributed large numbers of troops, civilian police and other personnel to various peacekeeping missions and, collectively, it was responsible for a significant share of the total peacekeeping budget. The European Union had actively supported the strengthening of the United Nations peacekeeping operations and would continue working to ensure their effectiveness. However, that political commitment must go hand-in-hand with budgetary discipline and sound financial management. At the second part of the resumed session, the European Union would examine the budgets of the various operations with a view to providing them with the resources necessary to implement their mandates. Depending on the timely availability of the relevant documentation, it also stood ready to discuss other issues, such as the administration of justice and information and communications technology/enterprise resource planning.

10. **Mr. Heller** (Mexico), speaking on behalf of the Rio Group, expressed concern over the late issuance of reports and called on the Secretariat and the Advisory Committee to explain the reasons for those delays and to propose appropriate solutions.

11. The Fifth Committee must provide the Secretary-General with the resources needed to carry out the mandates of the various peacekeeping operations, in accordance with the aims and principles enshrined in the Charter of the United Nations. However, the Rio Group was concerned about the resource requirements for those operations and took the view that resource levels should be adequately justified with a view to ensuring maximum efficiency. Effective oversight was also essential if those resources were to be allocated and used in a transparent manner.

12. The Rio Group attached particular importance to the United Nations Stabilization Mission in Haiti (MINUSTAH) and reaffirmed the need for urgent action by the international community to promote sustainable development and eradicate the scourge of poverty in Haiti. To that end, the States members of the Group had contributed significant numbers of troops and police to MINUSTAH and were also engaging in other forms of cooperation with the Haitian Government. In that regard, the data recovery and evacuation support provided to MINUSTAH by the International Research and Training Institute for the Advancement of Women (INSTRAW) was particularly commendable.

13. The Rio Group was committed to working constructively to reach an agreement on cross-cutting issues at the second part of the resumed session, to ensure that all peacekeeping operations were streamlined, effective and accountable. That should not, however, be interpreted as a cost-cutting exercise, since while the Organization should have coherent and standardized policies on peacekeeping operations, due consideration must be given to the distinct mandates and specificities of each operation.

14. Procurement was of the utmost priority for the Rio Group. The Organization's vendor base should be diversified so as to extend procurement opportunities to all Member States in a transparent and open manner and ensure equitable, fair and non-discriminatory treatment. It was to be hoped that the forthcoming negotiations on procurement would build on the progress made. As far as administration of justice was concerned, the Rio Group had already expressed its support for reform. Member States must now take the process forward so that the new system for the administration of justice could be gradually implemented from January 2009 on.

15. The Rio Group commended the Working Group on Contingent-Owned Equipment on the successful completion of its mandate and expressed the hope that the Fifth Committee would consider the report of the Working Group at the current resumed session. In that connection, reimbursements to troop-contributing countries should be made in a timely and efficient manner. Some countries had not been reimbursed for their participation in various ongoing and closed missions for more than a decade. The Secretariat must, therefore, continue to seek practical ways of addressing that issue equitably in all peacekeeping missions and should inform Member States, without delay, of the measures taken to that end.

16. Lastly, the Rio Group expressed concern that the Advisory Committee's report on strengthening the development pillar was not yet ready for consideration by the General Assembly. Development was an issue of fundamental importance to the States members of the Group, and they would therefore be grateful for updated information on the status of the report.

17. **Mr. Tawana** (South Africa), speaking on behalf of the African Group, welcomed the Chairman's letter dated 22 April 2008. The Group was reluctant to work under the prevailing conditions, in which the late issuance of documentation had become the rule rather than the exception. That practice was unacceptable, since it adversely affected the Committee's ability to achieve its objectives and potentially prevented it from reaching the best possible agreement on the budgets of the peacekeeping operations. At the current session, the Fifth Committee was due to consider peacekeeping budgets totalling around $7.4 billion, as well as a number of non-peacekeeping items. Accordingly, sufficient time must be allocated to the Committee to ensure that it could reflect thoroughly on all the issues before it.

18. In accordance with paragraph 5 of General Assembly resolution 50/206 C, the reasons for the late issuance of a report should be indicated when the report in question was introduced. The Secretariat must take appropriate steps to comply with that provision without delay and should also ensure that it complied with the six-week rule for the availability of documentation. Furthermore, to enable the Fifth Committee to address the problem of late issuance, not only should managers be held accountable for the late submission of reports, they should also have to appear before the Committee to explain the reasons for the delay.

19. Peacekeeping-related issues were of the utmost importance to the African Group, which, at the current resumed session, would be devoting priority attention to time-bound matters. In that connection, the fact that the budgets of the two most recently established peacekeeping missions, namely the United Nations Mission in the Central African Republic and Chad (MINURCAT) and the African Union-United Nations Hybrid Operation in Darfur (UNAMID), were due to be introduced only two days before the closure of the second part of the resumed session gave particular cause for concern.

20. Lastly, the African Group stressed the importance of the development pillar and trusted that issues pertaining thereto would be considered at the beginning of the sixty-third session of the General Assembly.

21. **Mr. Taula** (New Zealand), speaking on behalf of Canada, Australia and New Zealand (CANZ), echoed previous speakers' concerns regarding the late issuance of documentation and the impact of that phenomenon on the Fifth Committee's programme of work, and welcomed the Chairman's efforts to raise those concerns with the Secretariat and the Advisory Committee. It was not wise or responsible to take decisions on complex and costly operations under pressure at the very end of the session. All those concerned — the Secretariat, Member States, the Advisory Committee and the Bureau — should work together to identify ways of preventing a recurrence of the present situation.

22. **Mr. Rashkow** (United States of America) said that the Organization's peacekeeping missions involved more military and civilian peacekeepers than ever before. Indeed, the proposed budgets for current peacekeeping missions to be examined and adopted by the Committee at the second part of the resumed session amounted to $7.4 billion — almost twice the size of the budget for the biennium 2008-2009. In the light of such record costs, Member States, which had a responsibility to their respective Governments to ensure that resources were used efficiently, effectively and transparently, must be given adequate time to review the management and organization of each mission.

23. He noted that the proposed budgets of several large and expensive peacekeeping missions would not be introduced until late in the resumed session. His delegation, while understanding the challenges faced by those responsible for preparing the budgets in question at Headquarters and in the field, fully endorsed the concern regarding the submission of reports expressed by the Chairman in his letter of 22 April 2008.

24. Ways must be found of ensuring that the Fifth Committee and the Advisory Committee had sufficient time to examine those budgets closely. The Fifth Committee should not be asked to conduct a review and approve budgets in a matter of days. The Secretary-General bore ultimate responsibility for

ensuring timely performance by the Secretariat and must therefore work with the heads of the relevant departments to ensure that the problem was addressed effectively. His delegation looked forward to working with others in the Fifth Committee and with the Secretariat to ensure that, in future and despite the challenges involved, the Committee received such reports well before the start of its sessions, in accordance with the requirements laid down by the General Assembly.

25. **Mr. Mukai** (Japan) endorsed the concerns raised and expressed support for the Chairman's letter of 22 April 2008. All documentation should have been made available two weeks before the start of the second part of the resumed session, particularly given the size of the proposed peacekeeping budgets.

26. Member States had been informed that the Fifth Committee's and the Advisory Committee's schedules for the coming year had already been fixed and could not be changed. However, Member States must have sufficient time to consider large and complex peacekeeping budgets. In that regard, the fact that the reports on the African Union-United Nations Hybrid Operation in Darfur and the United Nations Mission in the Central African Republic and Chad were currently scheduled to be introduced just a few days before the end of the second part of the resumed session was unacceptable; they should be introduced at least one week earlier. The Committee's programme of work should be determined by the priority and urgency that Member States attached to individual issues. One way to address the problem was for the parties concerned to communicate more and to better synchronize their work.

27. His delegation acknowledged the Advisory Committee's concern that its winter session, originally extended to allow sufficient time to consider peacekeeping budgets and other related issues, was now often used to consider issues unrelated to peacekeeping. Such an excessive burden on the General Assembly resulted in the late submission of documents by the Department of Peacekeeping Operations. In that connection, he recalled the recommendation by the Office of Internal Oversight Services (OIOS) that the Department of Management and the Department of Peacekeeping Operations should take immediate steps to reorganize the budget process and consolidate related functions (A/60/717, summary).

28. Time-bound peacekeeping budgets should be given priority at the resumed session; other, unrelated issues should be addressed at the main part of the sixty-third session.

29. **Mr. Abdelmannan** (Sudan) said that the late issuance of reports, particularly those relating to time-bound issues such as the financing of peacekeeping operations, was a source of concern for all delegations. The Secretariat had been asked to issue reports on time by Member States, repeatedly, and by the Chairman, in his letter of 22 April 2008. In the absence of a response from the Secretariat, it was clearly time for a new strategy.

30. Member States should discuss the issue among themselves and come up with a solution. One would be to assign the issue its own agenda item, starting at the sixty-third session and until such time as it was resolved; another would be to consider the issue as a separate matter in the context of the Secretary-General's reform proposals; another still would be to establish an open-ended working group. Any of those solutions would represent a practical way of addressing the issue and forcing the Secretariat to provide the Committee with a proper explanation.

31. **Ms. Samayoa-Recari** (Guatemala) said that, since the problem seemed to lie not with the Department of Peacekeeping Operations, which had submitted its reports on time, but with the Department of Management, perhaps the Under-Secretary-General for Management should appear before the Committee to explain the problem. That way, instead of simply discussing the same problem year after year, the Organization might actually find a solution.

32. The Under-Secretary-General for Management should also attend the next formal meeting of the Committee in order to explain why the P-3 post for the Permanent Forum on Indigenous Issues mentioned in resolution 62/236 had still not been filled.

33. **Mr. Karia** (Peacekeeping Financing Division), speaking as Officer-in-Charge of the Peacekeeping Financing Division, said that the Secretariat shared the concerns raised and took deadlines very seriously. However, there were a number of legitimate reasons for the delay in the issuance of reports. They included a greater need for consultation than anticipated, delays in the receipt of information from offices away from Headquarters, vacancies, an increased workload, the increased complexity and changing circumstances of

peacekeeping missions, and the Secretariat's ongoing efforts to ensure that reports met quality standards. The Secretariat was, however, taking steps to address the issue and would make a greater effort to facilitate the Committee's work.

34. **Ms. McLurg** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the late submission of documentation had seriously impacted the work of the Advisory Committee at its winter session. For all but a handful of peacekeeping operations, the required documentation had been submitted after 15 March 2008 for a session beginning on 5 February 2008. The documentation required for the Advisory Committee's consideration of the support account and the United Nations Mission in the Sudan (UNMIS), the African Union-United Nations Hybrid Operation in Darfur and the United Nations Mission in the Central African Republic and Chad, meanwhile, had not been received until after 10 April 2008. It should also be borne in mind that the Advisory Committee worked almost entirely with unedited advance versions of the Secretary-General's reports on peacekeeping operations, which were available only in English and were often subject to corrections, revisions and updates.

35. The late submission of documentation had direct consequences for both the Fifth Committee and the Advisory Committee. Increasingly, the latter had extremely limited time to consider important issues. It was not unreasonable for it to expect sufficient time to do its work properly. The delayed issuance of documentation had also affected the timing and scope of the Advisory Committee's general report on peacekeeping operations, which had to be prepared before the review of individual missions.

36. The problem of delayed issuance of documentation, while not new, had become worse in recent years. The Secretariat, the Advisory Committee and the Fifth Committee all suffered from, and contributed to, the problem.

37. The current procedures for considering the financing of peacekeeping operations stemmed from General Assembly resolution 49/233 A, adopted pursuant to a number of Advisory Committee reports and proposals. The initial idea had been for the Secretariat, on the basis of the best information available, to begin preparing peacekeeping budgets for the following financial period in the autumn of each year, so that they could be submitted to the Advisory Committee no later than the end of the following January. The Advisory Committee had established a winter session precisely so that it could consider the peacekeeping-related reports of the Secretary-General in February and March. The Secretary-General's reports and the related reports of the Advisory Committee would then be submitted to the Fifth Committee in April, well before the start of the new financial period on 1 July.

38. The system had worked very well for a number of years but was now breaking down. The Advisory Committee had commented on the need for the Secretariat to ensure the timely submission of its proposals many times in the recent past. Unlike 10 or 15 years earlier, there were now well-established standards and methodologies for the preparation of peacekeeping budgets and performance reports, even those relating to new and complex missions. The need to create new mechanisms and test new procedures could no longer be used as an excuse for delays. Moreover, increased use of information technology had facilitated and accelerated communication between Headquarters and the field. Officials in the field needed to understand the importance of according high priority to the timely submission of complete information to Headquarters. In that connection, she noted the recent innovation of sending Abacus teams from Headquarters to the field. In addition, the post of Director of the Peacekeeping Financing Division should be filled without delay and communication between the Department of Peacekeeping Operations, the Department of Field Support and the Department of Management should be improved.

39. For its part, the Advisory Committee was seeking ways to make its own discussions more focused and to produce clear and concise reports providing straightforward recommendations to the Fifth Committee. In turn, the Fifth Committee needed to take account of the present situation and the fact that the numerous Fifth Committee and Advisory Committee requests with which the Secretariat was burdened hampered its ability to produce the necessary documentation. In addition, the Chairman and Executive Secretary of the Advisory Committee and the Chairman, Bureau and Secretary of the Fifth Committee should undertake continuous and close coordination in order to arrive at a reasonable and

achievable programme of work, thereby avoiding the need for constant revision of schedules. Good will, extra effort and cooperation on all sides would ensure the most judicious and efficient consideration of the Organization's needs by all concerned.

40. **The Chairman** said he took it that the Committee wished to approve the proposed programme of work on the understanding that adjustments would be made, as necessary, during the course of the session.

41. *It was so decided.*

Agenda item 149: Financing of the United Nations Observer Mission in Georgia (A/62/633, A/62/680 and A/62/781/Add.1)

Agenda item 153: Financing of the United Nations peacekeeping forces in the Middle East

(b) United Nations Interim Force in Lebanon (A/62/632, A/62/751, A/62/744 and A/62/781/Add.5)

Agenda item 140: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Comprehensive review of the Strategic Military Cell (A/62/744)

Agenda item 141: Financing of the United Nations Operation in Burundi (A/62/668 and A/62/781/Add.2)

Agenda item 154: Financing of the United Nations Mission in Sierra Leone (A/62/756 and A/62/781/Add.4)

42. **Mr. Karia** (Peacekeeping Financing Division), speaking as Officer-in-Charge of the Peacekeeping Financing Division, recalled that the estimated total sum requested for all peacekeeping operation budget proposals for the period from 1 July 2008 to 30 June 2009, the support account for peacekeeping operations and the United Nations Logistics Base was $7.4 billion.

43. Introducing the performance report on the budget of the United Nations Observer Mission in Georgia (UNOMIG) for the period from 1 July 2006 to 30 June 2007 (A/62/633), he said that the General Assembly, in its resolution 60/273, had appropriated funding of $33,377,900 and that expenditure had been $32,297,900, leaving an unencumbered balance of $1,080,000, representing an implementation rate of 96.7 per cent.

44. The main causes of the variance were reduced expenditure on international staff because deployment to new missions had increased staff turnover, and lower air transportation requirements, because of a rationalized flight schedule for fixed-wing aircraft. The General Assembly was invited to decide how to treat the unencumbered balance of $1,080,000, as well as other income and adjustments amounting to $826,700.

45. Introducing the report of the Secretary-General on the budget for the United Nations Observer Mission in Georgia for the period from 1 July 2008 to 30 June 2009 (A/62/680), which represented a proposed total of $34,740,700, he said that the sum concerned was $269,100, or 0.8 per cent, lower than the resources approved for 2007/08.

46. The main causes of the variance were a reduced need for international staff because of the proposed abolition of two support component Field Service posts, and lower air transportation requirements, because of a reduction in the cost of flight hours for one fixed-wing aircraft and one helicopter. The General Assembly was invited to appropriate $34,740,700 to maintain the Mission for the period from 1 July 2008 to 30 June 2009 and to assess that amount at a monthly rate of $2,895,058, should the Security Council decide to continue the Mission's mandate.

47. Introducing the performance report on the budget of the United Nations Interim Force in Lebanon (UNIFIL) for the period from 1 July 2006 to 30 June 2007 (A/62/632), he said that the General Assembly, in its resolutions 60/278 and 61/250 B, had appropriated funding of $496,615,500, and that expenditure had been $495,735,600, leaving an unencumbered balance of $879,900, representing an implementation rate of 99.8 per cent.

48. The main causes of the variance were a reduced military contingent requirement because of longer tours of duty and delayed deployment of some contingents, and increased requirements for international staff because faster deployment had resulted in lower-than-expected vacancy rates. The General Assembly was invited to decide how to treat the unencumbered balance of $879,000, as well as other income and adjustments amounting to $7,372,800.

49. Introducing the report of the Secretary-General on the budget for the United Nations Interim Force in Lebanon for the period from 1 July 2008 to 30 June 2009 (A/62/751), which represented a proposed total of $688,813,300, he said that the sum concerned was $24,773,500, or 3.5 per cent, lower than the resources approved for 2007/08.

50. The main causes of the variance were reduced facilities and infrastructure costs because of the projected completion of major construction projects in 2007/08, and lower naval transportation requirements, because the Maritime Task Force had been reconfigured. The General Assembly was invited to appropriate $688,813,300 to maintain the Mission for the period from 1 July 2008 to 30 June 2009, to assess $114,802,200 for the period from 1 July to 31 August 2008 and to assess $574,011,100 for the period from 1 September 2008 to 30 June 2009 at a monthly rate of $57,401,110, should the Security Council decide to continue the Force's mandate.

51. Introducing the report of the Secretary-General containing a comprehensive review of the Force's Strategic Military Cell (A/62/744), prepared in response to the request made by the General Assembly in its resolution 61/250 B, he said that the report clarified the role and functioning of the Cell, its relationship with the Department of Peacekeeping Operations Military Division, now the Office of Military Affairs, and described lessons learned in connection with the military planning of large-scale and complex existing and future peacekeeping operations. The General Assembly was invited to take note of the report.

52. Introducing the performance report on the budget of the United Nations Operation in Burundi (ONUB) for the period from 1 July 2006 to 30 June 2007 (A/62/668), he said that the General Assembly, in its resolution 61/9, had appropriated funding of $128,536,700 and that expenditure had been $118,534,100, leaving an unencumbered balance of $10,002,600, representing an implementation rate of 92 per cent.

53. The main causes of the variance were a reduced requirement for the repatriation of military contingents and contingent-owned equipment, with one medical unit and its equipment being transferred to the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) and one battalion being transferred to the African Union Special Task Force in Burundi; and a reduced requirement for international staff because of the downsizing of the Mission and a higher-than-anticipated separation rate.

54. The General Assembly was invited to take note of the total amount of $30,729,800 available, consisting of the unencumbered balance of $10,002,600 and other income and adjustments amounting to $20,727,200; to decide on the treatment of the $24,337,000 of that amount of $30,729,800 which represented the net cash available in the Special Account of the Operation; and to defer to its sixty-third session a decision, to be taken in the context of the final performance report of the Operation, on the treatment of the $6,392,800 of that same amount of $30,729,800 which represented the cash shortfall in the Special Account of the Operation as at 30 June 2007.

55. The financial status of the Operation as at 31 March 2008 indicated that the Operation's cash position had improved as a result of additional accrued interest income, savings on, or cancellation of, prior-period obligations and settlement of other receivables. As the total amount of $30,729,800 could therefore be returned to the Member States, the General Assembly might wish to consider the full return of credits due for 2006/07.

56. Introducing the report of the Secretary-General on the financing of the United Nations Mission in Sierra Leone (UNAMSIL) (A/62/756), he indicated that the disposition of the Mission's assets had been undertaken in accordance with financial regulation 5.14. The total inventory value of those assets as at 31 December 2007 had been $61,909,000, with one group of assets transferred to other missions or to temporary storage at the United Nations Logistics Base, one group sold or donated in the Mission area, and a final group classified as written off or lost. The General Assembly was invited to take note of the report.

57. *Mr. Mičánek (Czech Republic), Vice-Chairman, took the Chair.*

58. **Ms. McLurg** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee relating to the financial performance report for the period from 1 July 2006 to 30 June 2007 and proposed budget for the period from 1 July 2008 to 30 June 2009 of UNOMIG (A/62/781/Add.1), said that

the Advisory Committee recommended approval of the Secretary-General's proposals regarding UNOMIG for the period from 1 July 2008 to 30 June 2009. However, it once again expressed concern at the precarious financial situation of the Mission, as its current cash balance would not provide a three-month operating reserve.

59. While the Advisory Committee did not object to the intention to redeploy posts expressed in the proposed budget for 2008/09, a number of existing posts intended to cover particular functions were due to be redeployed to cover unrelated functions. In the interest of budgetary transparency, vacant posts no longer required should be abolished, and requests for new posts and upgraded posts should be fully justified.

60. The Advisory Committee recommended that the process of phasing out the services of security guards covered by an existing commercial contract and replacing them with security guards occupying newly created national General Service posts should be carefully monitored, and its results evaluated and reported in the next budget submission. It also recommended that the possibilities of support in respect of stock management from the United Nations Logistics Base to UNOMIG should be explored.

61. Introducing the report of the Advisory Committee relating to the financial performance report for the period from 1 July 2006 to 30 June 2007 and proposed budget for the period from 1 July 2008 to 30 June 2009 of UNIFIL (A/62/781/Add.5), she said that the Advisory Committee recommendations would entail a reduction of $20,443,000 in the proposed budget of the Force for 2008/09. Having examined a revised projection of troop deployments, the Advisory Committee took the view that a delayed deployment factor of 5 per cent was more realistic than the factor of 1 per cent contained in the proposed budget. Accordingly, there would be a reduction of $16,869,500 in military contingent requirements and a reduction of $1,699,800 in contingent-owned equipment requirements. However, the Advisory Committee had requested updated information on the planned deployment schedule for 2008/09, to enable the Fifth Committee to take a more informed decision in that regard.

62. With regard to civilian personnel, the Advisory Committee recommended acceptance of the Secretary-General's proposals regarding proposed posts, except that of Chief of the Joint Mission Analysis Cell (P-5) and that of Associate Political Affairs Officer in the Office of Political and Civil Affairs (P-2), being unconvinced of the need for either post.

63. Noting also that the proposed budget included provision for four general temporary assistance positions for the Strategic Military Cell, and expressing its intention to make comments and recommendations on the broader issue of the proposed incorporation of the core capacities of that Cell into the Office of Military Affairs in the context of its report on the Secretary-General's proposals for strengthening the Office (A/62/752), the Advisory Committee took the view that, as UNIFIL had moved beyond its expansion phase, the continued need for the Cell, at its current structure and strength, had not been clearly demonstrated.

64. That conclusion was reinforced by the consideration that the Strategic Military Cell had been established to deal with the particular military, security and operational demands which UNIFIL faced in implementing Security Council resolution 1701 (2006), and that the Secretary-General, in his report on the comprehensive review of the Cell (A/62/744), had proposed a phased downsizing. The Advisory Committee therefore recommended against approval of the senior civilian staff positions (1 D-1 and 1 D-2) for the Cell. It also recommended that the proposed provision of daily subsistence allowance for 29 military staff officers should be adjusted in the light of the planned downsizing of the Cell and in the light of responsibility for assistance to UNIFIL being transferred to the Office of Military Affairs as part of its established functions.

65. With regard to operational requirements, the Advisory Committee recommended a decrease of $927,000 in the provision for communications. With regard to regional mission cooperation, the Advisory Committee noted that some United Nations Truce Supervision Organization (UNTSO) personnel operated within UNIFIL (Observer Group Lebanon) and the United Nations Disengagement Observer Force (Observer Group Golan), and was requesting the Secretary-General to review the administrative arrangements for UNTSO and reflect that review in the proposed programme budget for the biennium 2010-2011. Regretting that several audits and investigations for the Force had been delayed, the Advisory

Committee underlined that there must be sufficient oversight capacity in the region.

66. Introducing the report of the Advisory Committee relating to the financial performance report for the period from 1 July 2006 to 30 June 2007 of ONUB (A/62/781/Add.2), she said that the Advisory Committee was recommending that the $24,337,000 net cash available in the Special Account of the Operation as at 30 June 2007 should be credited to Member States in a manner to be determined by the General Assembly. However, in a recent development which the Advisory Committee had not had time to consider, it appeared from the Mission's interim financial statements as at 31 March 2008 that cash reserves were sufficient to enable the Member States to receive full credit. Should the Advisory Committee not concur with the proposal of the Secretary-General to return the full sum to the Member States, the Fifth Committee would be informed accordingly.

67. Introducing the report of the Advisory Committee on the financing of UNAMSIL (A/62/781/Add.4), she said that the Advisory Committee recommended that the General Assembly should take note of the report of the Secretary-General describing the completion of the liquidation of the Mission's assets, the first part of that process having taken place by 30 June 2006, as described in the progress report of the Secretary-General (A/61/819).

Agenda item 140: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

Updated financial position of closed peacekeeping missions as at 30 June 2007 (A/62/757)

Comprehensive report on the consolidation of peacekeeping accounts (A/62/726)

68. **Mr. Sach** (Controller), introducing the report on the updated financial position of closed peacekeeping missions as at 30 June 2007 (A/62/757), said that 15 of the 20 peacekeeping missions covered in the report reflected net cash surpluses totalling $182 million. In his report on the consolidation of peacekeeping accounts (A/62/726), the Secretary-General had proposed that the cash surpluses should be returned to Member States, prior to consolidation.

69. The five cash-deficient peacekeeping missions covered in the report reflected a total cash balance of just $6 million, against total liabilities of $94 million. Should the proposed consolidation of peacekeeping accounts be approved, those long-outstanding liabilities, which were largely claims from troop contributors, would finally be discharged.

70. The action to be taken by the General Assembly, subject to the approval of the Secretary-General's proposal to consolidate the peacekeeping accounts effective 1 July 2008 in accordance with the framework outlined in his report, was to decide to return to Member States credits available as at 30 June 2008 in closed peacekeeping missions with cash surpluses.

71. Turning to the report on the consolidation of peacekeeping accounts (A/62/726), he recalled that, in its resolution 61/278, the General Assembly had requested the Secretary-General to provide an updated comprehensive report on consolidation of peacekeeping accounts, including a simulation of the options proposed, taking into account the views expressed, questions raised and information requested by Member States at its sixty-first session.

72. Consideration had also been given to the consolidation of the accounts of only active missions, and of only closed missions, but no significant benefits had been identified. Consequently, the Secretariat's view was that the full consolidation of all peacekeeping accounts would yield the greatest benefits and, in addition, streamline all related administrative work.

73. At the end of April 2008, the total cash balance in all peacekeeping accounts had stood at $3 billion, sufficient to meet all requirements, including the reimbursement of troop-contributing countries for both troops and contingent-owned equipment. However, since the cash was segregated in a separate peacekeeping account for each mission, payments to troop-contributing countries were constrained by the cash in each individual account. As a result, payments to troop-contributing countries were a few months behind in most peacekeeping missions. In some missions, such as the United Nations Mission for the Referendum in Western Sahara (MINURSO) and the United Nations Peacekeeping Force in Cyprus (UNFICYP), payments were outstanding owing to the lack of cash in those missions.

74. If consolidated, the cash balances would be combined and payments to troop-contributing countries

would become more timely and predictable. A simulation had shown that, if peacekeeping accounts had been consolidated, payments could have been increased by 20 per cent in 2007. Consolidation would have made it possible to reimburse the outstanding $68.2 million owed to troop- and police-contributing countries for the five closed missions and to discharge the long-outstanding liabilities in the cash-deficient closed missions.

75. In response to the concern regarding the need to maintain a direct link between peacekeeping assessments and the mandate periods approved for each mission by the Security Council, assessments would be issued four times during each financial period.

76. In addition to facilitating the timely reimbursement of troop-contributing countries, the proposed consolidation of peacekeeping accounts would simplify administrative processes for both Member States and the Secretariat; facilitate Member States' financial planning for funding future peacekeeping operations; facilitate the review of the financing of peacekeeping operations by the General Assembly, with increased focus on trends and significant operational issues; reduce the number of separate General Assembly resolutions, performance reports and financial statements; rationalize the workload of the Contributions Service, the Accounts Division and the Peacekeeping Financing Division of the Department of Management; and reduce editing, translation and printing costs.

77. **Ms. McLurg** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related reports of the Advisory Committee (A/62/816 and A/62/818), said that the credits available in closed peacekeeping missions should be returned to Member States, bearing in mind that it was for the General Assembly to decide on the disposition of such balances. In the Advisory Committee's view, the return of such credits did not depend on acceptance of the proposal to consolidate the accounts of peacekeeping operations. With regard to the problem of debts in cash-deficient closed missions, there was a need for fresh proposals, in addition to the proposal to consolidate the peacekeeping accounts.

78. The Secretary-General's report on the consolidation of peacekeeping accounts (A/62/726) was essentially a resubmission of the proposal contained in the detailed report of the Secretary-General on investing in the United Nations (A/60/846/Add.3). New material had been provided in the annexes to the report, which contained updated information on the effect of consolidation simulated for 2007, a table on credits available in closed peacekeeping missions with cash balances as at 30 June 2007, a mock-up of financial statements for peacekeeping operations and an outline for the proposed consolidated performance report.

79. Drawing attention to the observations and recommendations of the Advisory Committee as set out in paragraphs 43 to 48 of its report on investing in the United Nations for a stronger Organization worldwide (A/60/870), she said that the Advisory Committee maintained the view that it was for Member States to decide whether or not to consolidate peacekeeping accounts.

80. **Mr. Blaj** (Slovenia), speaking on behalf of the European Union; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania, Bosnia and Herzegovina, Montenegro and Serbia; and, in addition, Armenia, Liechtenstein and Ukraine, said that the European Union agreed with the Advisory Committee that the Financial Regulations and Rules of the United Nations clearly provided that the balance of any appropriations should be returned to Member States after a period of 12 months. The Fifth Committee had almost reached agreement on the issue at the sixty-first session; however, an arbitrary link between the return of credits and reimbursements from cash-deficient closed missions had prevented it from doing so. For its part, the European Union considered that such a link was inappropriate.

81. The continued retention of funds and the outstanding liabilities in closed peacekeeping missions were unacceptable. The European Union therefore urged all Member States to pay their outstanding contributions in full, on time and without conditions. It would strive to find a solution that allowed for the balances from closed peacekeeping missions to be returned to Member States, to which they rightfully belonged.

82. The European Union welcomed the consolidation of peacekeeping accounts, as that would give the Secretary-General greater flexibility in using resources

for peacekeeping operations and facilitate a more timely reimbursement to troop-contributing countries.

83. **Mr. Gürber** (Switzerland) said that the consolidation of peacekeeping accounts would result in efficiency gains without the usual costs associated with reform measures. Member States should move forward on the Secretary-General's proposal, for the reasons outlined by the Controller.

84. Progress in the Fifth Committee was often hampered by excessive politicization of administrative issues and the constant deferral of items from one session to the next. Given the managerial and administrative advantages of the Secretary-General's proposal, the Committee should not allow political considerations to prevent it from taking swift action.

85. **Mr. Yamada** (Japan) said that two essential principles should be borne in mind when addressing the issue of closed peacekeeping missions. First, payment of assessed contributions was an obligation under the Charter of the United Nations; second, unencumbered appropriations should be returned to Member States, in accordance with the Financial Regulations and Rules of the United Nations. His delegation therefore agreed with the Advisory Committee that the return of credits to Member States did not depend on acceptance of the proposal to consolidate the accounts of peacekeeping operations and that the credits available in closed peacekeeping missions with cash surpluses should be returned to Member States. In that connection, he drew attention to General Assembly resolution 57/323, which specified the timing and amount of the credits to be returned.

86. The solution to the problem of debts in cash-deficient closed missions was to ensure that Member States paid their assessments in full and on time.

87. **Mr. Mukai** (Japan) said that his delegation was not ready to accept the proposed consolidation of peacekeeping accounts. Japan had serious doubts about the effectiveness of the proposal and was concerned that consolidation could have an adverse effect on the payment of arrears by some Member States.

88. While consolidation might have some benefits for timely reimbursement to troop- and police-contributing countries, the more fundamental cause of delayed reimbursement to those countries — non-payment of assessed contributions — must be addressed.

89. In accordance with the unique budgeting and assessment arrangements for peacekeeping missions, from which there must be no deviation, the Security Council decision establishing a mission's mandate allowed assessment letters to be issued to Member States for that mission. Failure to maintain a direct link between peacekeeping assessments and the mandate period approved for each mission by the Security Council would make it difficult for certain Member States, including Japan, to justify the payment of assessments. Delinking peacekeeping assessments and mandate periods could also undermine budgetary discipline and prejudice the Security Council's deliberations.

90. There were no grounds for treating each peacekeeping mission as a section of the total peacekeeping budget, by analogy with the regular budget. Japan agreed with the Advisory Committee that the scope and quality of information provided on the financing of peacekeeping operations should remain undiminished. In order to enhance accountability and justify the constant increases in the peacekeeping budget, there was a need for more detailed information and mission-by-mission breakdowns of resource requirements.

91. **Ms. Samayoa-Recari** (Guatemala) said that her delegation agreed with the Advisory Committee that the credits available in closed peacekeeping missions with cash surpluses should be returned to Member States. However, a number of the States requesting reimbursement were still in arrears in respect of certain peacekeeping operations. It might be appropriate to consider that question under the agenda item on improving the financial situation of the United Nations.

92. Closed peacekeeping missions and the consolidation of peacekeeping accounts were separate issues and should be dealt with as such in informal consultations.

93. Guatemala supported the reimbursement of troop-contributing countries in full and on time. However, since the submission of the consolidation proposal, the situation had changed: the number of peacekeeping operations had increased and debts had continued to grow. It was questionable whether the consolidation of peacekeeping accounts would really make it possible to recover funds from States that did not pay on time. Her delegation would appreciate receiving a written response to that point in informal consultations.

The meeting rose at 12.05 p.m.